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Letter No. 2348

February 4, 1988

**U.S. AG EXPORT
VOLUME, NOV. 1987**

The U.S. agricultural export volume for November 1987 totaled 11 million 100 thousand metric tons, up 5 percent from the 10 million 600 thousand metric tons exported during November 1986, but down 9 percent from October 1987. According to the U.S. Department of Agriculture, three major bulk commodities--wheat, corn and soybeans--accounted for 7 million 700 thousand tons, or 69 percent of the total. Major buyers were China and Algeria for wheat, Mexico and the USSR for feed grains, and the European Community, Japan, Taiwan and China for soybeans.

**U.S. AG EXPORT
VALUE, NOV. 1987**

The November export value totaled \$2 billion 830 million, an increase of 12 percent from November 1986 and up 6 percent from October 1987, according to the U.S. Department of Agriculture. Brisk sales of beef and other livestock products accounted for almost 40 percent of the total year-to-year increase. For the first two months of the fiscal year, U.S. agricultural exports totaled \$5½ billion, up \$555 million, which is up 11 percent from a year earlier.

**FORECAST SOYBEAN
EXPORTS**

Soybean exports for 1987/88 are forecast by the U.S. Department of Agriculture at 760 million bushels, virtually unchanged from 1986/87. The September-November exports totaled 253 million bushels, 36 million ahead of last year's pace. U.S. exports are expected to slow in the second half of the season when an anticipated large South American crop comes on the market.

**FORECAST: U.S.
WHEAT EXPORT**

The U.S. wheat export forecast by the U.S. Department of Agriculture for 1987/88 remained unchanged from last month, at 39 million 500 thousand tons. As of January 14, wheat shipments and sales for 1987/88 totaled 31 million 400 thousand tons, compared with 19 million 900 thousand tons at the same time a year ago. The leading buyers in January were the USSR, 1 million 480 thousand tons...China, 784,000...Japan, 305,900...Poland, 85,800...and Taiwan, 69,200 tons.

**DEFICIENCY
PAYMENTS FOR
COTTON**

According to the U.S. Department of Agriculture, eligible upland cotton farmers will receive final deficiency payments of \$430 million during February for 1987 crop upland cotton. Payments will be based on a rate of 17.3 cents per pound. Producers may have already received advance payments of 8.15 cents per pound, leaving a balance of 9.15 cents per pound which will be paid in generic commodity certificates.

JANUARY CORN
EXPORT FORECAST

The U.S. corn export forecast for 1987/88 remains unchanged at 43 million 200 thousand tons as of January 14, according to the U.S. Department of Agriculture. Corn shipments and sales for the current marketing year, 1987/88, totaled 22 million tons as of January 14. This is 4 million 400 thousand tons higher than at the same time last year. The leading buyers during the month were Japan, 907,600 tons...Taiwan, 359,000 tons...Korea, 438,700 tons...Algeria, 209,200 tons...Egypt, 191,500 tons...Mexico, 156,900 tons...Turkey, 123,700 tons...and East Germany, 101,800 tons.

ITALY'S DURUM
WHEAT TO
ALGERIA

For the first time since 1983/84, Italy has sold durum wheat to Algeria, according to the U.S. Department of Agriculture. Italy accomplished the sale by providing more liberal credit than either the U.S. or Canada offers. The credit was for 3 years, no payment until the end of the third year. Italy also priced the wheat at about \$25 per ton below the price at which durum could have been purchased. In 1986/87, Algeria bought 780,000 tons of durum from the U.S. and 420,000 tons from Canada. Algeria's durum imports for 1987/88 are expected to be about 1 million 300 thousand tons.

RED BARLEY?

A recent royal decree issued by the Government of Saudi Arabia orders all imported barley to be colored with cormosine, which is a red color. According to the U.S. Department of Agriculture, this appears to be a non-tariff barrier designed to help domestic production and may restrict the flow of grain into Saudi Arabia. Saudi consumers prefer lighter colored desert-grown barley. The dye cormosine is not approved by FDA, and supplies in the U.S. may be nonexistent. Also, U.S. exporters are reluctant to use a dye that would leave a residue on loading belts and possibly be picked up on subsequent shipments and confused with tainted grain.

ARGENTINE WHEAT
TO USSR

Argentina has agreed to sell 500,000 tons of milling wheat to the Soviet for delivery in February and March. According to the U.S. Department of Agriculture, this Soviet sale would put Argentine commitments near the level of estimated exportable wheat supplies for 1987/88 of 5 million 300 thousand tons.

CHINA BUYS
SAUDI WHEAT

Saudi Arabia has recently taken advantage of the expanded wheat import market in China with a sale of 300,000 tons of milling wheat, according to the U.S. Department of Agriculture. This represents about one-third of Saudi Arabia's estimated wheat exports for 1987/88. Canada and Australia have traditionally supplied the bulk of China's wheat needs with the U.S. coming in third. Therefore, the recent sales would likely have the greatest impact on future U.S. exports to that market.

LOANS NOT
EXTENDED

The nine-month 1987 crop wheat, feed grains and soybean price support loans will not be extended for an additional one-year period, according to the U.S. Department of Agriculture. As these 1987 crop loans mature, producers can either repay the loan; use commodity certificates to acquire the commodity which had been pledged as collateral for the loan; or deliver the loan collateral to the Commodity Credit Corporation in full settlement of the loan. Also 1985 and 1986 crop wheat, feed grains and soybean loans that have been extended will not be extended further when they mature.

EXTENSION OF
PRICE SUPPORT
LOANS & THE
RESERVE

Wheat and feed grains - corn, sorghum, barley and oats - of the 1987 crops pledged as collateral for 9-month price support loans will not be permitted to enter the farmer-owned reserve, according to the U.S. Department of Agriculture. All existing wheat and feed grain special producer storage loan program loans that mature after March 1 will not be extended and the grain pledged as collateral for these loans may not enter the farmer-owned reserve. For further details on price support loans, contact the local Agricultural Stabilization and Conservation Service office.

SOYBEAN PRICES
STRONG

The monthly soybean prices in Central Illinois rose from \$5.08 per bushel in September to \$5.75 in December, according to the U.S. Department of Agriculture. Cash prices around \$6.00 prevailed in January. Prices have strengthened because of strong demand by the Soviets, who purchased 1 million 400 thousand short tons of soybean meal, and because of demand for domestic poultry and hog feed. The harvested area for 1987 is set at 56 million 400 thousand acres, and yield is estimated at 33 million 700 thousand bushels per acre.

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1600...(Weekly 13½ min documentary) How does the the U.S. Department of Agriculture collect the data used to analyze the financial health of American agriculture? On this edition of Agriculture USA, Dave Carter reports on the most important survey conducted by USDA--the farm costs and returns survey.

AGRITAPE/FARM PROGRAM REPORT #1589...(Weekly reel of news features) USDA news highlights; U.S. exports to South Asia; Dairy production drops; 0-92; New fat substitute.

CONSUMER TIME #1081...(Weekly reel of 2½-3 min features) Planning your spending; A common approach to bankruptcy; Lower demand for oil; New fat substitute; Oatmeal wars.

USDA RADIO NEWS SERVICE...Feb. 10, Wed, Ag finance outlook, World ag and world grain production, World oilseed, World cotton; Thurs, Feb. 11, Farm labor states; Tues, Feb. 16, Cattle on feed; Wed, Feb. 17, Crop and weather, Feed outlook. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

TELEVISION SERVICE programs, A BETTER WAY, DOWN TO EARTH, AGRICULTURAL UPDATE and SATELLITE NEWS are available on satellite Westar IV, audio 6.2 or 6.8 as follows:

Thursdays....AG UPDATE/SATELLITE NEWS, 7:30-7:45 p.m. ET.....Transponder 12D

Saturdays....A BETTER WAY, 10:00-10:30 a.m. ET.....Transponder 9X

ORIGINAL DOWN TO EARTH, 10:30-11:00 a.m. ET....Transponder 9X

UPLINK SATELLITE NEWS/AG UPDATE, 11:00-11:15 a.m. ET.....Transponder 9X

Mondays.....A BETTER WAY, 8:00-8:30 a.m. ET.....Transponder 12D

REPEAT DOWN TO EARTH, 8:30-9:00 a.m. ET....Transponder 12D

UPLINK SATELLITE NEWS/AG UPDATE, 9:00-9:15 a.m. ET.....Transponder 12D

A BETTER WAY is also available on The Learning Channel SATCOM 3R, Transponder 2, Audio 6.8 each Friday 11:00 a.m. ET.

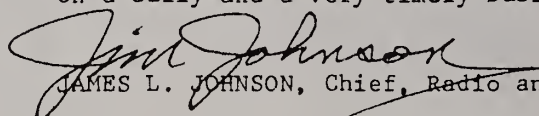
OFF MIKE

First off, thanks to all of you who took the time to report on when you've received recent copies of this newsletter. We got a couple indications the delivery time may be improving. We're keeping our fingers crossed that such is the case. However, we were talking with Thom Wilborn (AP Radio, Washington, D.C.) and he said he'd received the last 4 issues all in one envelope. So, we'll have to wait a bit longer to see if there truly is improvement ... Chuck Lilligren is no longer at WCCO, Minneapolis, MN. Change in programming policies at the station eliminated his position ... Monte Reese has left Farm Credit Services in Kansas City and is now working with Larry Steckline at Mid America Ag Net, same city ... Gene Williams has returned to WNAX, Yankton, SD. He's taking Ed Nelson's place, since Ed has retired after 30 years at the station, with the last 8 as farm director. Gene left WNAX 8 years ago to become farm director at KFEQ, St. Joseph, MO. His co-worker at KFEQ, Mike Railsback has been promoted to farm director. We understand that KFEQ station manager Gene Millard is billing himself as Mike's new assistant, in addition to this station manager

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duties. The fact that Gene was a highly respected farm broadcaster at one time doesn't hurt a bit, either ... Much of the above information came from a welcome visitor to the office this past week, Dix Harper (WRAL-TV/Tobacco Net, Raleigh, NC), NAFB president. Dix was in town for a meeting and stopped by to kill some time before his flight home ... Mid-Am Reporter's editor, Forrest Bradley profiled another farm broadcaster in his latest edition. He's Gary Kadansky (KROC, Rochester, MN). In the write-up, Gary points out that farm broadcasters need to be in tune with new technologies, because more and more farmers have their own computers and satellite dishes...and that farm broadcasters need to keep on their toes and provide information on a daily and a very timely basis.


JAMES L. JOHNSON, Chief, Radio and Television Division